



City of Sunnyvale – Minimum Wage Increase

Introduction

The Sunnyvale City Council adopted a Minimum Wage Ordinance on October 28, 2014, to create a Minimum Wage greater than the State's for the City of Sunnyvale. The ordinance includes the following provisions:

- The ordinance applies to employers that maintain a place of business in Sunnyvale and/or provide goods/services within city limits.
- The rate is \$10.30 an hour as of January 1, 2015.
- Beginning January 1, 2016, and every January 1 thereafter, the rate will adjust by an amount corresponding to the prior year's Consumer Price Index (CPI).

Frequently Asked Questions (FAQ's)

Q: What is in the City of Sunnyvale Minimum Wage Ordinance?

A: The City Council approved the ordinance to create a City Minimum Wage. The ordinance requires employers that maintain a place of business in Sunnyvale or perform any work/service within Sunnyvale city limits to pay the City Minimum Wage. The City's Minimum Wage is \$10.30 per hour as of January 1, 2015, and includes an annual adjustment for inflation.

Q: When did the City Council adopt the ordinance?

A: The Minimum Wage Ordinance was adopted at the City Council meeting on October 28, 2014.

Q: What is the new City Minimum Wage rate?

A: The City Minimum Wage rate will be \$10.30 per hour starting January 1, 2015, and includes an annual adjustment for inflation each January.

Q: How is the Sunnyvale Minimum Wage adjusted?

A: Beginning January 1, 2016, and on every January 1 thereafter, the City Minimum Wage will increase by an amount corresponding to the prior year's Consumer Price Index (CPI) for urban wage earners and clerical workers for the San Francisco-Oakland-San Jose, CA metropolitan statistical area as reported by the U.S. Department of Labor's Bureau of Labor Statistics. The intent of this increase is to adjust for inflation.

Q: What are the Minimum Wage Ordinance administrative requirements for covered employers?

A: In addition to payment of the minimum wage, employers are required to:

- 1. Post a notice at the workplace of the current and prospective minimum wage rates and the employees' rights under the Ordinance; and,*
- 2. Maintain payroll records for a period of four (4) years.*

Q: What is the difference between the Federal, State and Sunnyvale minimum wage laws?

A: Sunnyvale employers are subject to Federal, State and Sunnyvale minimum wage laws. When there are conflicting requirements in the laws, the employer must follow the strictest standard – that is, the one that is most favorable to the employee. Since Sunnyvale's ordinance requires a higher minimum wage rate than the State and Federal law, covered employers are required to pay the City Minimum Wage. As of July 1, 2014, the Federal Minimum Wage is \$7.25 per hour; California Minimum Wage is \$9.00 per hour; and Sunnyvale's minimum wage is \$10.30 per hour.

Q: Does the ordinance on the City Minimum Wage cover employees who work in Sunnyvale, but are not Sunnyvale residents?

A: Yes. Any person, who performs work for an employer that maintains a facility in the City of Sunnyvale or provides goods and/or services within city limits, is entitled to be paid the City Minimum Wage.

Q: Does the Sunnyvale minimum wage apply to full-time and part-time employees?

A: Yes, the approved ordinance applies to any person working within the Sunnyvale city limits who performs at least two (2) hours of work in any particular week.

Q: May employers use tips or fringe benefits (health insurance, vacation, sick leave) to pay the Sunnyvale minimum wage?

A: No. An employer may not use an employee's tips or fringe benefits as a credit towards the employer's obligation to pay the City Minimum Wage.

Q: Does the minimum wage apply to employees under the age of 18?

A: Yes. All employees who perform at least two (2) hours of work per week in Sunnyvale must be paid at least \$10.30 per hour regardless of the age.

Q: Does the Sunnyvale Minimum Wage Ordinance protect undocumented workers?

A: Yes. All workers in Sunnyvale, whether or not they are legally authorized to work in the United States, are protected. The Office of Equality Assurance will process and investigate a wage claim without regard to a worker's immigration status. Workers filing a claim with the City of San Jose's Office of Equality Assurance will not be questioned about their immigration status.

Q: My business is a family run business. Do I need to pay my parent, spouse or child the Sunnyvale Minimum Wage?

A: No. Consistent with California Labor Code Section 3352(a), individuals who are the parents, spouses or children of the employers are not covered by the Sunnyvale minimum wage. Domestic partners are also excluded under the Sunnyvale minimum Wage Ordinance. However, an employer must pay the required Sunnyvale minimum wage rate to any other person who performs more than two (2) hours of work in a week and qualifies as an employee entitled to payment of the minimum wage from any employer under the California Minimum Wage law as provided under Section 1197 of the California Labor Code and Wage orders published by the California Industrial Welfare Commission.

Q: Are residential care facilities located in Sunnyvale required to pay the Sunnyvale minimum wage?

A: Yes. Although state law exempts residential care facilities for six or fewer elderly persons from the City's business license tax, all residential care facilities, regardless of number or type of occupant, are required to pay local minimum wage to employees when located in Sunnyvale.

Q: A company moves its headquarters to a neighboring city but still performs work in Sunnyvale. Would the City of Sunnyvale Minimum Wage Ordinance apply?

A: Yes. Even though a company does not maintain a facility in Sunnyvale, it is conducting business in Sunnyvale and is required to pay the Sunnyvale business tax. The Ordinance requires employers who maintain a facility in Sunnyvale or employers that are subject to the Sunnyvale Business Tax to comply with the Sunnyvale Minimum Wage Ordinance.

Q: Where can I get additional information regarding the new minimum wage?

A: You can visit the website at MinimumWage.inSunnyvale.com, email minimumwage@sunnyvale.ca.gov or call (408) 730-7902.